

**ORIGINAL**



0000050683

1241 W. Calle De La Plaza  
Sahuarita, Az. 85629  
April 26, 2006 & May 17, 2006  
Phone (520) 625 - 3327

RECEIVED

2006 MAY 23 P 12: 33

Mike Wood,  
LQS Vice-President  
Phelps Dodge Sierrita.  
P.O. Box 527  
Green Valley, Az 85622

Rohn Householder,  
LQS Secretary  
Phelps Dodge Sierrita  
P.O. Box 527.  
Green Valley, Az 85622

Kaycee Conger  
LQS Office Manager  
LQS Water Co.  
AND P.O. Box 68  
Sahuarita, Az. 85629

AZ CORP COMMISSION  
DOCUMENT CONTROL

Dear Mike, Rohn, and Kaycee;

**Docket Nos. W-01583A-04-0178 et al.**

As the one Director who is paid by LQS I was surprised to receive my April 3rd, 2006 monthly pay check in an envelope that looked like it was postmarked in Phoenix and the check was signed by what might be F.J. Nides. For about 20 years the only people authorized to sign LQS checks have been Steve Gay as Operator/Manager and myself as LQS President and Treasurer. As I wanted to find out what was going on I took my LQS identification and went to the Bank of America and talked to Miriam Lopez. She went to her files and then spent a lot of time on the phone and finally told me that she could not give me a copy of the letter authorizing new people to sign LQS checks because I no longer had authority to sign checks. She did tell me that their letter of authorization was signed by Kaycee Conger so I went to the LQS office and Kaycee (Kathleen) gave me the attached letter of April 3rd which is a copy with no signature. (See Attachment A )

In this letter of April 3, 2006 Kaycee asks for signature authority for the following three people: Ray Romero, General Manager, Frank Nides, Operations Manager, and Kathleen Conger, Administrative Manager. She also states in the letter, "It is my understanding that by changing the signature authority to these individuals, the current person(s) listed will automatically be removed from authority status." The only cc: on this letter is to "bank correspondence file". I have known Kaycee for several years and I have always thought her character was above reproach. Therefore, it is my guess that Kaycee wrote this letter because of direction from Mike Wood and Rohn Householder. As President and Treasurer I thought I should have at least received a copy of this letter.

My March 15, 2006 letter to Mike and Rohn with copies to Corp. Comm. Docket Control, Lawrence Robertson, Jason Gellman, Judge

Rodda, Steve Gay of LQS Water Co., six stockholders and some interested parties, explained what went on at the March 9th Directors meeting. As of today I have received no minutes from Kaycee as to what she thought went on at the meeting. My March 15th letter is very plain as to what I think occurred at the meeting. As Mike was not at the meeting he will have no vote as to approve Kaycee's minutes, and I will vote no if her minutes are not what occurred at the meeting.

In the second paragraph of my March 15th letter I speak of the "Proposed Organizational Chart" but I did not point out that this chart did not cover LQS because at the top should have been a box showing the Stockholders' ownership, then a line down from this box to the box of Directors appointed by the owners, **and then** a line down to the boxes shown on the chart shown as Attachment #2 of my March 15th letter.

The top paragraph of the March 15th letter also shows that we did **not** vote to hire either Frank Nides or Ray Romero. (Mike Wood and Rohn Householder can call a Directors meeting anytime, and vote these things to happen if they desire, and then we will have a record of it.)

**The above was written before an LQS Directors meeting on May 2nd.**  
**The following is being written after the meeting.**

May 17, 2006

1. **New Employees** As of today, I have received no DRAFT copy of the minutes of the May 2nd Directors meeting, which I attended. My recall of what went on at the meeting is that LQS voted to hire Ray Romero and Frank Nides as General Manager and Operations Manager with compensation and general responsibilities as shown on Attachment #2 (which I also used as Attachment #2 in my May 15, 2006 letter to all of you.) In my May 15th letter I spoke of my concern that we had not received any detailed resume or references, etc. of Romero and Nides. That is still the case, plus I have heard nothing about how many hours or what days they will be on the job.

As Ray Romero, Frank Nides, and Kaycee Conger were all self-authorized in April, legally or illegally, without any vote by the LQS Board and without my knowledge at the time, to sign LQS checks before either Ray Romero or Frank Nides were formally hired, the subject of what and how large checks they were "authorized" to sign came up at the May 2nd Directors meeting. Here again I have received no DRAFT of the

minutes of the meeting, but as I remember Kaycee looked up past minutes and said Steve Gay, Operator-Manager for about 23 years was authorized to write checks for \$700 or \$800 maximum on non-routine items. Routine items such as our monthly power bill were exempt from this \$700 or \$800 maximum. Phelps Dodge director Rohn Householder suggested a limit of \$5,000 but it was not put to a vote and the subject was tabled because someone had to leave the meeting.

2. **Expenses** In my intervenor Exhibit I - 1 under what I called Exhibit G-4, after I learned that the Westland proposal would cost about \$1,600,000, I got bids and showed that treating the water as I recommended at each wellhead separately might cost about \$580,000 total for the three wells. I presented this fact to Mike and Rohn on Feb. 20, 2005 but they couldn't see any merit. So I hired Miller Brooks Environmental, Inc. and my wife and I paid them \$7,000 to come up with their 7/1/05 plans which again were much cheaper than the Westland proposal. Finally Westland hired Smyth Steel to give an analysis (I assume LQS paid for this) and they also came up with Miller Brooks being around \$600,000 cheaper than Westland, and then Judge Rodda's Recommendation disposed of the Westland proposal. My wife and I have no complaints in paying Miller Brooks \$7,000. but I wonder if Mike and Rohn realized they were spending \$50,000 to \$100,000 of LQS money for attorney, accountant, and engineering fees for Westland's failed plans that went into the trash can when Judge Rodda made her recommendation. As either a stockholder or customer lawsuit may come back to haunt them, these people may want to have some of these bills explained to them before Ray Romero or Frank Nides routinely pay these items out of LQS funds.

3. **Stocks** Attachment C is an interoffice memorandum I received on April 17th. Ray Romero and Kaycee Conger asked for authorization to sell LQS investments in stocks. I am definitely opposed to this suggestion. You may not realize that Steve Gay is over a 10% owner of LQS, he worked there for many years and was involved when LQS made money and purchased these investments. Kaycee has been involved in the selling of some of the investments, but she was never a party of making money for LQS so we could invest. And until I see a few monthly LQS reports made by Ray, I have no idea how LQS will preform with him in that position. For that

reason I do not want these three people to have authority to sell any stocks and use the sales money for possibly unwise purposes.

**4. Director Follow-Up** On April 27, 2005 I made a motion before the board to pay Westland to give us the comparison costs of a central system compared to treatment at each well, and the motion was approved 3 to zero. ( In my Intervenor Exhibit I-1 this is Exhibit G-11. ) Steve Gay at various Director's meetings told us that Westland either had done it, or wouldn't do it. In my G-11 I showed my own cost comparisons as I had done several times before to Mike and Rohn, but it looks like they could not see the difference until Smyth Steel came up with their analysis. We have several other important motions approved by the Board which have not been followed up on. I would like to have them followed up, so what information do you need, Mike and Rohn, which I did not provide in this case? I refer to the following subjects in particular.

**A. Storage Tanks Location** In my February 27, 2006 letter to Kaycee Conger and Steve Gay I requested information under #11, "On page 1 of the same report Steve tells how Larry Robertson is unhappy with our easement for our storage tanks on #3 tailings. I believe that at our Jan. 19th Board meeting we asked Larry to write up his suggestions so we could present them to Park Corp. Has anything been done?" (This information is in Item #2 of my April 29, 2006 and May 4, 2006 Exceptions to the recommendations of Administrative Law Judge Rodda)

This was a 100' x 100' easement agreed to in October 1984 and I signed as grantee as LQS President. Our LQS lawyer wrote up the EASEMENT and it seemed reasonable to me.

A few years later LQS realized that a larger easement would help us so we contacted the new owner of the property which was Park Company and according to the EASEMENT we paid Ten Dollars and other good valuable consideration and received a 200' x 200' easement in February 1990. We have had fine relations with Park Co. and still get along fine with them today. They own the largest piece (Maybe 70 acres?) of undeveloped property in the LQS franchise area.

On January 12, 2006 I had quite a talk with Harold Metz (Park Corp. or Twin Buttes Properties person with whom LQS does our legal work with) and he would check with their Cleveland? lawyer. On Jan. 24 I phoned again and told Harold our lawyer was on vacation so I had nothing new. Harold suggested LQS have our lawyer write up what he likes and present

it to Park (Twin Buttes Properties). As I remember it was shortly after this that the LQS Board instructed Larry Robertson, LQS lawyer, to do this. As far as I know, nothing has been done on this. I even wonder if the stupid 400,000 gallon tank proposed by Westland at #6 well was because someone said something to Westland along this line, instead of correcting the problem, if one exists. This problem, if it exists, may be as simple as having both parties agree to the meaning of "**similar easement**" in paragraph 2 of both easements documents.

**B. #5 Emergency Well** Paragraph A on page 5 of my April 29 and May 4 Exceptions letter, of which everybody received copies, talked about not spending about \$160,000 for arsenic equipment at #5 well and asking for permission to use this well only when LQS has an emergency situation. Who is following up quickly on this and what results or information do they have? I have done nothing on this subject.

**C. Emergency connection to Community Water Co.** In the same April 29 and May 4 Exceptions letter this subject is discussed. What do Ray Romero and Frank Nides have to report on this subject? If they do not have positive information on this subject and get their findings to us three directors in 4 or 5 days, I will get going. We can not proceed sensibly on any arsenic program until we get information as to Community Water Co. ideas on the subject. We three directors did a sad job by not working on this months ago.

**D. Details of #6 well Operation that Some People Do Not Understand.**

At our May 2, 2006 Directors meeting the following attended. All three Directors, Kaycee Conger, Ray Romero, Frank Nides, and Westland engineer Mark Taylor. We all had a lot of discussion about well pressure and gallons supplied by the well and what we might do in the future assuming that the Miller Brooks arsenic treatment will be done here.

I think we all were thinking of Judge Rodda's Recommendation page 9 starting with paragraph 35, "In addition to developing alternatives for arsenic reduction in each of the three wells, LQS states it identified additional factors that it believes are integral to system reliability and operation and which could be affected by the methodology selected for arsenic treatment. The factors LQS identified are (a) adequate storage volume; (b) excessive operating pressures in the water system due to small pipeline sizes; and (c) the effect of increased pressure losses

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through the arsenic treatment system on wellhead pressure and well capacity."

I did not speak up at the meeting, but something just did not sound right so first thing the next morning I went to #6 well to see what was actually there. See Attachment D. This is a rough sketch of our three wells. On #5 well and #7 well we have a single pipe going from the well to our system. On #6 well the 6" pipe from the well is divided into two 6" pipes going into the pressure tank. Also there is a CLA valve which has brass tags attached to the small control valves marked B, C, and D so the person operating the system knows what to do when changing from electric to natural gas drive, or vice versa. (Steve Gay has all of this written down and I assume that when he trained our new employees he gave them copies of these instructions.)

Judge Rodda's Recommendations paragraph 35 says "**LQS** states it identified additional factors ..... (a) storage, (b) excessive operating pressures, and (c) ..... wellhead pressure ....well capacity." At our May 2nd meeting on this subject it seemed to me that none of us were fully aware of how Steve Gay had built the system so these would not be a problem. Some of these items are:

A. When on electric drive Steve has items operating now to build the well head pressure higher than necessary to run the water into the system. There is a good reason for this. Therefore, when we treat for arsenic we probably can remove these and the filters will give us the back pressure we want.

B. When on natural gas there is an adjustable pressure gauge - switch that causes the engine to speed up or slow down according to water pressure.

C. The #7 well has a variable frequency drive and there is a transducer there to speed up, or slow down the motor to keep our pressures in line.

From "**LQS** states....." and what went on at our May 2nd meeting I think it is very important that all of this information is documented in detail so if we hire engineers to do the plans they will not come out with expensive ideas that the Corp. Comm. will not approve because the engineers did not understand our system. I see on the "Proposed Organizationall Chart" that both Ray Romero and Frank Nides are listed as "General Engineering Design and Construction Oversight" so this would be a good job to give them.



The "LQS states ....." obviously was not presented to the Corp. Comm. by Steve Gay who understood the system, but probably by Lawyer Larry Robertson or Engineer Mark Talyor, neither of whom knows how the system operates.

Judge Rodda's Recommendation paragraph 35 says " ....LQS states it identified additional factors that it believes are integral to system reliability and operation ..... (a) adequate storage volume; (b) excessive operating pressures .....; and (c) ..... wellhead pressures and well capacity." I hope I have explained how these are, or could be, taken care of without spending money:

V. If we can get approval to declare #5 an **Emergency Well** and use part of that \$160,000, which would then be saved, to get an **Emergency connection to Community Water Co.** we have satisfied (a) above the adequate storage volume. This could also mean we do not need to borrow as much money.

W. I hope I have explained above how #6 well on electricity has been operating for many years with existing equipment so (b) and (c) are no problem. (Santa Cruz Meadows with 239 lots will be connecting to #6 well probably in 2 or 3 months and this will make (b) even better)

X. The #6 well on natural gas speeds up and slows down with equipment that has been there for a long time so (b) and (c) don't apply here, either.

Y. I hope my explaining how LQS spent extra money for the variable frequency drive motor several years ago on #7 well made (b) and (c) not a factor at #7 Well.

Z. I readily admit that if we do Miller Brooks arsenic treatment at #5 well it could cut our present 240 GPM to maybe 200 GPM and increase the wellhead pressure from the approximate 50 psi range now to maybe 65 psi.

## 5. Director Organization

### A. Meetings

a) To me it is important we meet once a month. Except for Kaycee and us 3 Directors we have an all-new operating team, and we Directors need to know how things are going before anything gets out of hand.

b) Within 4 or 5 days after the meeting we need to have received our DRAFT copy of the minutes. It is very difficult to make operation plans and comments three to six weeks after a meeting when

one doesn't know what will be written in the minutes. A subject that one, or more, Directors thinks we covered and should be in the minutes, may not be covered at all. (I have requested, and still haven't received the DRAFT copy of the special Stockholders meeting on February 16, 2006.)

c) This meeting should not be until after we have received the previous months' financial reports. Kaycee says she doesn't receive bank statements, etc until about the middle of the month so our meeting needs to be near the end of the month. With an entire new field team I know I need some time to look over the financial paper so I know what questions to ask. (At our May 2nd Directors meeting we received the March 2006 Profit & Loss report showing a Net Income of -\$ 8,614.33. It also showed Legal to Larry Robertson of \$1,404.75, and Professional (Arsenic) of \$9,963.70 to Westland. I phoned Kaycee today {May 19} and I gather some of these two costs were for the Westland proposal which was denied by Judge Rodda. If we recognize that is a bad debt, and must be written off, or collected from the two majority Phelps Dodge Directors who kept voting for it, we might have actually had a profit in March for current operations.)

D) When I phoned Kaycee today I explained that a few notes from her in the coming months would be very helpfull to us directors in making decisions. We need to know on items like Legal and Engineering whether the costs are current ones for our entire system, or still bills from the Westland fiasco.

She is also the only one who would recognize abnormal income. She gave us at the May 2nd meeting the Monthly Water Usage Summary. On that report January water sold in 2005 was \$19K and in 2006 \$23K. In Feb. 2005 it was \$20K and in 2006 \$28K. In March 2005 it was \$18K and this March \$28K. I suspect this was Santa Cruz Meadows as they had three firehoses going full blast when they were doing the dirt work. It would help us directors to know approximately how many dollars came each month from just that one account. It will not be there in the future, and over the past 15 or 20 years LQS makes profits in the summer and breaks even, or looses money in the winter months.

E) On the Agenda for the May 2nd meeting there were many subjects that weren't even discussed, so somewhere we must make changes.

6. **Mailing List** In Judge Rodda's Recommendation she states on page 16, "IT IS FURTHER ORDERED that Las Quintas Serenal Water Company shall use its best efforts to keep the costs of its arsenic

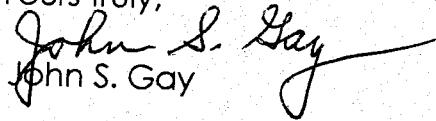


April 26, 2006 and May 17, 2006 Page 9

treatment plant as low as reasonably possible and shall file with Docket Control, as a compliance item in this docket, complete documentation of the actual costs of the acquisition and installation of the arsenic treatment facilities approved herein. Staff shall review the documentation and determine whether actual costs were lower....."

I assume that something like the above will be in the order signed by the Commissioners so I felt that the more information as to what is happening on the ground as we proceed should help for final results.

Yours truly,

  
John S. Gay

14 copies to Docket Control  
400 West Congress Street  
Tucson --- Hand Delivered

Judge Jane L. Rodda  
Administrative Law Judge  
Arizona Corporation Commission  
400 W. Congress, Tucson, Az 85701

Jason D. Gellman  
Legal Division Attorney  
1200 West Washington Street  
Phoenix, Arizona 85007

Lawrence V. Robertson, Jr  
P.O. Box 1448, Tubac, Az. 85646

3 copies -- Hand Delivered  
Las Quintas Serenas Water Co.

Community Water Co. of Green Valley  
P.O. Box 1078  
Green Valley, Az. 85622 - 1078

Stockholders

Donald K. Gill  
Jane Appleby  
Clare Gay  
The Carolyn Joyce R.T.  
John Guy Carlton

Interested Customers

Jane Constatine  
Don Holland  
Ed Valdez & Family

4-26-06 Doc

# LAS QUINTAS SERENAS WATER COMPANY

P.O. Box 68

Sahuarita, Arizona 85629

Telephone: 520.625.8040 Facsimile: 520.648.3520

COPY

April 3, 2006

Attachment A

Bank of America  
410 West Continental Road  
Green Valley, Arizona 85614

Subject: Change in Signature Authority

RECEIVED

MAY 9 2006

To Whom It May Concern;

ARIZONA CORP. COMM.  
TUCSON, AZ

This letter is to serve as written notification to change the signature authority on the checking/savings accounts, #050060212, #050761895, and #050163027, belonging to Las Quintas Serenas Water Company, to the individuals listed below effective today, Monday, April 3, 2006.

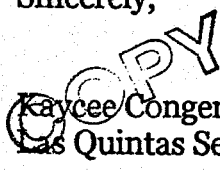
- \*Ray Romero; General Manager
- \*Frank Nides; Operations Manager
- \*Kathleen (Kaycee) Conger; Administrative Manager

It is my understanding that signature cards will be provided for these individuals to sign, thereby, placing their signatures on file.

It is also my understanding that by changing the signature authority to these individuals, the current person(s) listed will automatically be removed from authority status.

If you have any questions or need additional information, do not hesitate to contact me at the office, (520) 625-8040 between 9:00 a.m. and 1:00 p.m. Monday through Friday. Should these hours prove inconvenient for you, please leave a brief message including a telephone number where I can reach you and I will return your call as soon as possible.

Sincerely,

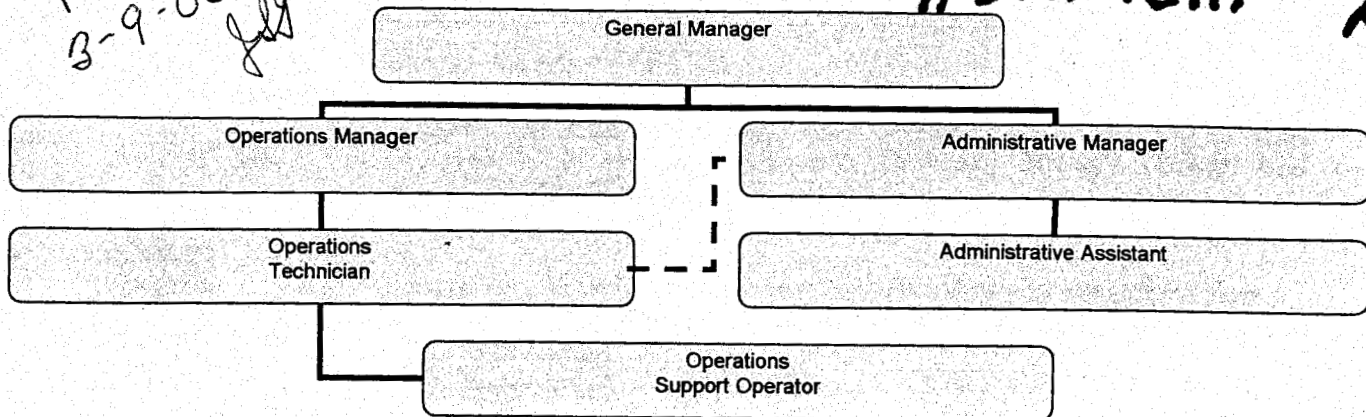
  
Kaycee Conger; Administrative Manager  
Las Quintas Serenas Water Company

cc: bank correspondence file

**Las Quintas Serenas Water Company**  
**Proposed Organizational Chart / Personnel Compensation**  
**February, 2006**

*Attachment #2*

*Rec'd  
3-9-06 JLL*



**General Manager**  
**Compensation**

- Hourly Wage
- Benefits

*Pag (Employee of P.D.) Tucson*  
 No Cost to Las Quintas Serenas Water Company  
 None

**General Responsibilities**

General Management of Company, Resource to Operations and Administration, General Engineering Design and Construction Oversight, General Compliance, Public Relations

**Operations Manager**  
**Compensation**

- Hourly Wage
- Benefits

*Frank Nides live in Ajo once per week here*  
 No Cost to Las Quintas Serenas Water Company (Employee of P.D.)  
 None

**General Responsibilities**

Operations/System Management, Maintenance/Operations Budget, Scheduling, Various Costs Reporting, Primary Engineering Design and Construction Oversight, Interface with Professional Services Entities, Regulatory Agencies, State-County-Town Offices and with LQS Board of Directors, Operations Training, Public Relations

**Administrative Manager**  
**Compensation - Full Time**

- Hourly Wage
- Call Outs
- Weekend Pager
- Holidays
- Vacation
- Insurance
- Bonus

*Kayce*  
 \$19.80 - \$24.75  
 Minimum of 1 Hour/Call Out @ Administrative Manager's Discretion to be Compensated @ Time and One Half (1-1/2) Hourly Wage  
 Currently the Burden of Operations Technician Position (Refer to On Call Compensation)  
 10  
 15 Days  
 \$5,500.00 / Year with G-125 (Cafeteria) Plan option  
 To Be Determined

**General Responsibilities**

Office/Administrative Management, Public Relations, Budget, Scheduling, Contracts/Agreements, Investments, Primary Interface with Professional Services Entities, Regulatory Agencies, State-County-Town Offices, and with LQS Board of Directors, Responsible for Company Regulatory Compliance, Submittal of Compliance Reports (such as Payroll, Tax, Agency), Vulnerability Assessment and Emergency Response Plans, Publication of Company Policies, Procedures, and Manuals, On Call / Call Out

**Las Quintas Serenas Water Company**  
**Proposed Organizational Chart / Personnel Compensation**  
**February, 2006**

**Operations Technician**  
Compensation – Full Time

*on property*

- Hourly Wage \$17.55 - \$21.95
- Call Outs Minimum of 1 Hour/Call Out @ Operation or Administrative Manager's Discretion to be Compensated @ Time and One Half (1-1/2) Hourly Wage
- On Call (Pager) \$1.75/Hour @ 16 Hours/Weekday (Monday through Friday) and 24 Hours/Weekend (Saturday and Sunday)  
Use of Company Vehicle excluding Holidays and Vacation
- Holidays 10
- Vacation 5 Days First Year / 10 Days Second – Fifth Years / 15 Days Sixth Year
- Insurance \$2,750.00 / Year with G-125 (Cafeteria) Plan option
- License Incentive(s) To Be Determined
- Bonus To Be Determined

**General Responsibilities**

System Maintenance – i.e. Flushing Mains, Chlorinating System, Exercising Valves, Trouble Shooting – Repair (Electrical and Mechanical), Replacing Pipes/Equipment, Meter Reading, Water Sampling Turn On/Turn Offs, Area Oversight, Inventory, 24-Hour On-Call

**Operations Support Operator**

Compensation – Part Time

- Hourly Wage \$13.75 - \$17.20
- Call Outs Minimum of 1 Hour/Call Out @ Operation or Administrative Manager's Discretion to be Compensated @ Time and One Half (1-1/2) Hourly Wage
- Weekend Pager Currently the Burden of Operations Technician Position (Refer to On Call Compensation)
- Holidays 0
- Vacation 0
- Insurance 0

**General Responsibilities**

Meter Reading, Installation / Replacement Meters, Blue Staking, Basic System Maintenance, Turn On/Turn Offs, On-Call Support to Operations Technician

**Administrative Assistant**

Compensation – Part Time

- Hourly Wage \$11.40 - \$14.25
- Call Outs Minimum of 1 Hour/Call Out @ Administrative Manager's Discretion to be Compensated @ Time and One Half (1-1/2) Hourly Wage
- Weekend Pager Currently the Burden of Operations Technician Position (Refer to On Call Compensation)
- Holidays 0
- Vacation 0
- Insurance 0

**General Responsibilities**

Basic Office Duties, Customer Accounts Management, Accounts Payable/Receivable, Office Supplies, Various Reports and Spreadsheets, Correspondence, Support to Administrative Manager

# LAS QUINTAS SERENAS WATER COMPANY

P.O. Box 68

Sahuarita, Arizona 85629

Telephone: 520.625.8040 Facsimile: 520.648.3520

Rec'd  
4-17-06  
JLH

## INTEROFFICE MEMORANDUM

DATE: Thursday, April 13, 2006  
TO: LQS Board of Directors  
FROM: Ray Romero; General Manager  
SUBJECT: Sale of Company Stock  
CC: Kaycee Conger; Administrative Manager

Attachment C

It has been brought to my attention that Las Quintas Serenas Water Company was in the process of selling some of the company's stocks during the time that Mr. Gay left the company (Friday, March 31, 2006). The pending sale was to generate sufficient cash flow to meet the company's financial obligations. This transaction was not completed.

As the management of the company has recently been re-organized and the actual board meeting minutes of Friday, September 23, 2005, specifically mention Mr. Gay in authorizing the sale of company stock, as shown below:

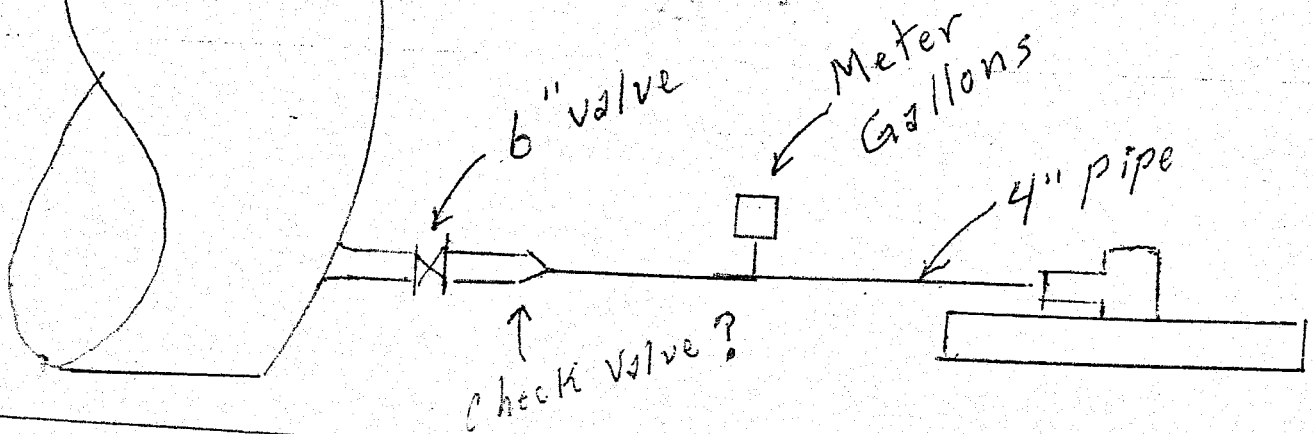
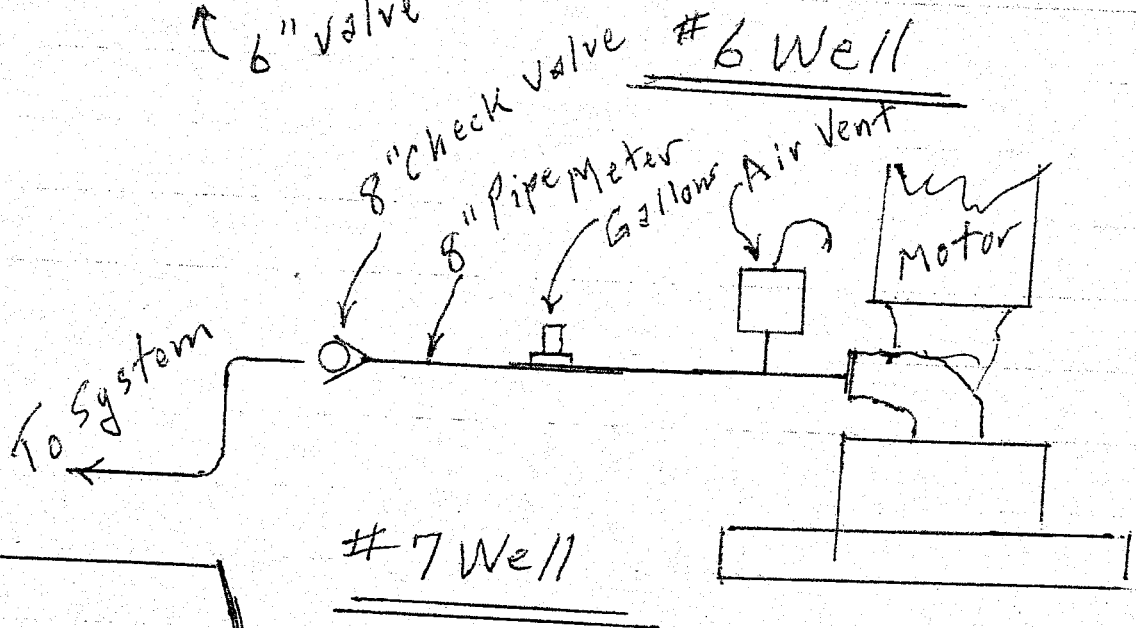
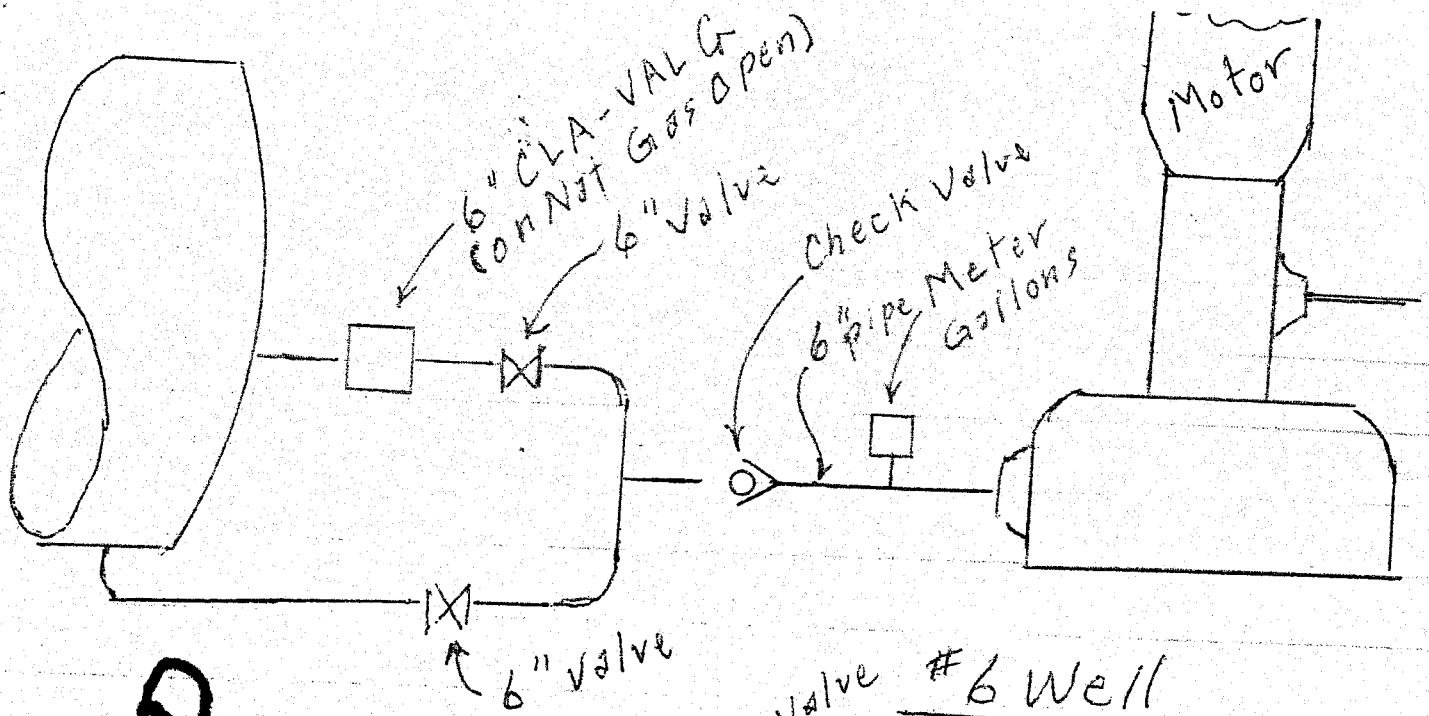
*Kaycee Conger inquired as to the future sale of stocks and mutual funds; requesting clarification as to the Board's previous decision to allow **Steve Gay** to sell the Company's investments when necessary. Rohn Householder stated, and the Board agreed, that the decision in question was indeed a "blanket" decision and that it would not be necessary for **Steve** to approach the Board for authorization each time a sale needs to be made.*

I request that the Board grant Kaycee Conger; Administrative Manager, and I the authorization to sell the company's investments, as previously given to Mr. Gay, in order that we may carry out the day-to-day responsibilities as currently set forth by the Board.

This authorization will not only allow for changes to be made to the Company's Owner/Authorized Person Information Sheet on file with A.G. Edwards, as well as any other company's (i.e. Altria Group, UST, Inc., Johnson & Johnson, etc.) account information, but will also include signature authority on certificates, company resolutions, etc.

Please contact either Kaycee or myself with your decision as soon as possible. Should you motion either by majority or unanimously in the affirmative, we will act on this request immediately.

# Attachment D



May 18, 2006  
Sketch - No Scale

# 5 Well